

Application No. 10/003,471
Amendment Dated: December 29, 2008
Response to June 27, 2008 Office Action
Attorney Docket No.: C063

Remarks/Arguments:

Claims 19-40 are in the application. Claim 19, 29, and 30 are in independent form.

Claim Rejections Under 35 U.S.C. § 101

Claims 19-29 stand rejected under 35 USC 101 for being directed to non-statutory subject matter. Amended claim 19 recites: "executing web server software on a server to provide a form on the web site for display on a client computer." Thus, the method of amended claim 19 is statutory because it is tied to specific computer hardware. Amended claim 19 also includes a display of transformed data representing a sum of votes cast by voters,

Claim Rejections Under 35 U.S.C. § 112

Claims 19, 25, 27, and 29 (including their independent claims) stand rejected as being indefinite for including the word "may." The offending "may" is removed.

Claim Rejections Under 35 U.S.C. § 103(a)

Claims 19-29 are being rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 7,062,462 to Ireland et al. ("Ireland").

As the Examiner helpfully points out on the bottom of page 8 of the Office action, Ireland fails to expressly teach any of the claimed elements. The Examiner takes "official notice" that each claim element is known and therefore it would have been obvious to make the claimed invention.

In *KSR v. Teleflex*, 127 S.Ct. 1727, 1741 (2007), the Court states:

Although common sense directs caution as to a patent application claiming as innovation the combination of two known devices according to their established functions, it can be important to identify a reason that would have prompted a person of ordinary skill in the art to combine the elements as the new invention does. Inventions usually rely upon building blocks long since uncovered, and claimed discoveries almost necessarily will be combinations of what, in some sense, is already known.

The reasons provided by the Examiner actually argue against the invention. Examiner states that a reason to make the present invention is to "reduce the school or grantor's liability by

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conducting a nomination process to fairly determine from a pool of prospective candidates the 'most aspiring' or 'luckiest' scholarship candidates..." When a scholarship is awarded by an uncontrolled group composed of anyone with Internet access, there is no certainty that winner will be the "most aspiring" or "luckiest," or that the election process will be "fair." Applicants submit that the conventional wisdom of skilled person was to do the opposite and carefully control the selection process by a committee of unbiased experts. As a result, no person of ordinary skill would have been motivated by the Examiner's reasoning to combine the references as suggested. Applicants' specification states:

[0014] Because the award is based on the number of electronic votes cast at the web site, winning typically requires a large of number of supporters of the nominee to visit the web site. The invention thus provides incentive for both students seeking scholarships and for their supporters to visit the web site.

[0015] The scholarship award method is particularly well adapted for group efforts and can allow a school, community, etc. to work together to win a scholarship for a particularly deserving individual, thereby significantly increasing traffic at the college-related Internet site.

Thus, there is no guarantee that the voting process will be "fair," when interested parties are encouraged to vote for their friends or schoolmates.

In the prior art, the award of scholarship was performed by a carefully controlled group that took great pains to ensure it was impartial and avoid conflicts of interest. For example, applicants attached information on Scholarship Administration from the Nebraska Community Foundation. ("NCF Scholarship Administration"), www.nebcommfound.org/scholar/scholaradmin.htm, which provides guidance for administering a scholarship program. NCF Scholarship Administration states that "IRS rules require scholarships be awarded on an objective, non-discriminatory basis and for a charitable purpose."

Obviously, there is no way to ensure that scholarships will be "awarded on an objective, non-discriminatory basis and for a charitable purpose" when anyone with an Internet connection, including friends and relatives of the nominees, can vote for a nominee.

NCF scholarship policy, in conformity with IRS rules, requires the following with respect to scholarships:

1. Recipients must be selected by a Scholarship Selection Committee (SSC) appointed by NCF.

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2. Recipients must be selected by the SSC on an objective and nondiscriminatory basis and consistent with the purpose of the particular scholarship fund.

- ° Criteria such as religion, race, ethnic group or gender cannot be used in the selection process unless approved in advance by the Nebraska Community Foundation.

- ° Applicants related to members of the selection committee are ineligible for consideration by that committee.

NCF Scholarship Administration specifically states: "Applicants related to members of the selection committee are ineligible for consideration by that committee," yet the claimed invention allows, and even encourages, anyone to visit the site and vote. There is no way to prevent members of the public from using forbidden voting criteria, such as religion, race, ethnic group or gender.

Applicants respectfully submit that the modification suggested by the Examiner would not have been obvious at all to anyone who had not read applicants' specification. Nothing in the reference suggests voting by the general public for a scholarship recipient.

Applicants' specification states that a goal of the invention is to increase the number of visits to a web site. Para [1004]. Applicants chose a counter-intuitive method of awarding scholarships in a non-conventional manner to increase traffic. Skilled persons who were looking for an improved way to award scholarships would not have, and did not, use voting by the general public, including friends and relative of the nominees, to award scholarships.

Even if a person of ordinary skill would have been motivated to combine the references, the combination would not have resulted in the invention claimed by applicants. In Ireland, completed financial aid packages are provided to students, who select a school. Ireland does not address how the financial aid is awarded. The only selection in Ireland would be of the school not of the student who is receiving the aid. Thus, the combination of Ireland with a congressional election, as suggested by the Examiner, does not yield the claimed invention.

Moreover, the examples cited by the Examiner not only do not show voting for scholarship awards, they do not show voting by an uncontrolled group of the public. Voters for political office must prove citizenship and/or residency in a particular political subdivision, such

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as a congressional district. "[N]ominating a singer, an actor (actress or nominee) in different categories for a Tony Award or Grammy Award, nominating an individual to receive a "Nobel Prize" (Nobel Peace Prize or Nobel Prize in Literature, medicine, etc.), nominating a teacher for the "Teacher of the Year Award" and nominating a fellow worker or employee by other employees for the employee of the month or the year. . ." is not done by the general public, with no requirements on the voter.

The Examiner takes Official Notice that "local, State-wide, primary and general elections can be conducted over the Internet," but provides no evidence that such elections were performed over the Internet before the filing date of the application. Applicants therefore traverse the Office Notice. Similarly, the Examiner states that the NBA "received nominations, via a form posted on its site, for player posts who will compose the All-Star Western and Eastern squads, nominations for the most valuable player (MVP) of the year or Western and Eastern Conference Final or NBA final, from individuals who access, using their clients or personal computers, the NBA web site." The Examiner has provided no evidence that such web voting was available before applicants' filing date. Applicants traversed this rejection in a previous Office action. The Examiner responded with a listing of NBA pages from archive.org. As far as applicants' representative is able to tell, none of those pages prior to applicants' filing date show internet voting.

With regard to claim 28, the Examiner states that "a list of candidates is posted online in order for the voters to vote for at least a candidate for a particular position (NBA scenario). It is also common practice to post a list of identifiers or pseudonyms, instead of individuals' real names, in a 'buddy list', thereby protecting the individual's privacy, while maintaining confidentiality. 'Official notice'" The Examiner seems to be suggesting that the players' names are hidden and the sports fan do not know who they are voting for. Hiding the players' identity defeats the purpose of voting, even if voting for players were in the prior art. A combination of references that renders the reference unsuitable for its intended purpose is improper. None of the examples cited by the Examiner show voting using a pseudonym in which the nominee is unknown.

The Examiner states that using pseudonyms for "protecting the individuals' or nominee'

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privacy and maintaining confidentiality, while keeping the selection or decision process fair and square by avoiding nepotism or favoritism since the voters do not know the real names of the nominees for whom they are voting for, but their credentials or accomplishments." Paragraph [0028] of the specification states, however:

For the privacy and safety of the nominees, the nominees are preferably not identified by information that would permit a stranger to otherwise contact the nominee. Voters typically learn from others outside the system the identity of the student before voting. For example, a high school administration may inform members of its community that the "John S. of Nashville, Tennessee" listed on the voting page is their student, John Smith, and encourage members of its community to vote for him.

Thus, while the Examiner states that the use of a pseudonym avoids "nepotism or favoritism," the actual result is the opposite.

The Examiner's misunderstanding the invention is evidence of non-obviousness. Applicants are attempting to drive traffic to a web site by encouraging people to vote for their friends or community members, while the Examiner is pointing out reasons why internet voting by the general public is "fair and square." Prior art scholarship award methods, such as the NCF Scholarship Administration, take great pains to be impartial; the claimed invention, on the other hand, opens up voting to friend and relatives and the rest of the world.

Applicants hereby incorporate the information provided in their March 5, 2008 Examiner Interview Summary, in which they provided information about the Hoy-Tarter Shared Decision Making Model, which shows that it is against the conventional wisdom to delegate a scholarship decision to the general public, which has no special expertise and no special interest in the academic success of the winner. Applicants also incorporate the previous arguments and exhibits showing that awarding scholarships is fraught with risks of discrimination law suits, and therefore should be attended to by experts with safeguards against discrimination, and not delegated without controls to the general public.

"It is never appropriate to rely solely on "common knowledge" in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based." MPEP 2144.03A. The Examiner states that the primary reference Ireland does not teach any of

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the claimed limitations, and relies on "Official Notice" to provide all the elements of the rejections. Applicants therefore traverse the rejection.

"It would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known." The Examiner has cited on pages 10-12 numerous purported examples of on-line voting, including political elections, teach of the year, Nobel Peace Prize, NBA MVP, and Tony award. There is no evidence that such on-line voting was performed before applicants' filing date. Such facts are "not capable of instant and unquestionable demonstration" and therefore are not properly the subject of Official Notice. Applicants therefore traverse the Examiner's taking of Official Notice.

Applicants submit that the remaining claims, being dependent from claims that are allowable for reasons stated above, are also allowable. Accordingly, applicants request that the rejections of these remaining claims also be withdrawn.

Conclusion

It is believed that all of the pending issues have been addressed. However, the absence of a reply to a specific objection, issue, or comment does not signify agreement with or concession of the rejection, issue, or comment. In addition, because the arguments made above may not be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this reply should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this reply, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment.

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Applicants submit that all claims in the application are now in condition for allowance,
and respectfully request that a timely Notice of Allowance be issued.

Respectfully submitted,

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Scholarship Administration

Overview

Many NCF Affiliated Funds grant scholarships. There are a number of Internal Revenue Service requirements that must be met with respect to a scholarship award program. The Nebraska Community Foundation has adopted a Policy for Administering Scholarships that is designed to be in compliance with federal tax law, including the Pension Protection Act of 2006. In addition, our policy incorporates a number of "best practices" with respect to scholarship programs. Please read these materials regarding scholarship administration carefully before beginning a new scholarship program or a new scholarship award cycle for your Affiliated Fund. *Failure to follow these procedures may mean that a scholarship grant that you have announced cannot be paid – do not put your Affiliated Fund in this position!*

IRS rules require that scholarships be awarded on an objective, nondiscriminatory basis and for a charitable purpose. Specific restrictions apply to the use of criteria such as race, ethnic origin or gender, so any scholarships your Affiliated Fund may wish to award with such criteria must be approved by NCF in advance. Scholarship eligibility may be limited based on geography, graduation from a certain high school, field of study or other nondiscriminatory basis, so long as the pool of eligible individuals is large enough to ensure that there will be a competitive selection process. Availability of scholarships must be publicized broadly and scholarship applications (if required) must be made widely available to potential applicants. Family members of individuals involved in the scholarship selection process or major donors to the scholarship fund are not eligible to receive a scholarship.

In order to conform with the Pension Protection Act of 2006 and NCF policy, NCF must appoint all Scholarship Selection Committees for our Affiliated Funds prior to the start of the scholarship grant process.

The information below summarizes scholarship administration. More detailed information can be found by clicking on the links at the bottom of this page.

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Scholarship Selection Administration

1. Have each proposed Scholarship Selection Committee (SSC) member read NCF's "Policy for Administering Scholarships" dated February 7, 2007.
2. Submit a "Nomination Form" for each Scholarship Selection Committee (SSC) including a Member Information Form for each nominee, to NCF prior to beginning the scholarship process. This must be done annually for each SSC and each nominee; the forms for the 2008 scholarships grant cycle were mailed in a packet to affiliated funds in early February.
3. Remember that an affiliated fund cannot begin the scholarship selection process until your nominations have been approved by NCF. Wait for notification from NCF that appointment of the SSC members is complete before proceeding.
4. Complete the items on the Scholarship Selection Committee Checklist.

Scholarship Selection Committees (SSC)

Scholarship Selection Committees **must** be appointed by the Nebraska Community Foundation prior to the beginning of the scholarship selection process. Responsibilities of SCC members may include: determining the purpose, selection criteria, number and amount of scholarships awarded each year. Only the SSC can evaluate and select the recipients. In general, SSCs should represent and be familiar with the community and include individuals with expertise relevant to the selection process such as high school principals and guidance counselors. SSCs are responsible for promoting the availability of a scholarship to the appropriate audience. SSC members cannot be in a position to derive a private benefit, directly or indirectly, from the selection process; as a result, scholarships may not be awarded to a family member of a SSC member.

NCF scholarship policy, in conformity with IRS rules, requires the following with respect to scholarships:

1. Recipients must be selected by a Scholarship Selection Committee (SSC) appointed by NCF.
2. Recipients must be selected by the SSC on an objective and nondiscriminatory basis and consistent with the purpose of the particular scholarship fund.
 - o *Criteria such as religion, race, ethnic group or gender cannot be used in the selection process unless approved in advance by the Nebraska Community Foundation.*
 - o *Applicants related to members of the selection committee are ineligible for consideration by that committee.*
3. Be awarded consistent with NCF's Policy for Administering Scholarships.
 - o *\$500 minimum award.*
 - o *No awards may be made from an endowed scholarship account unless the account balance is at least \$10,000.*
 - o *Any award of \$2,000 or less will be paid in one payment*

- (i.e., not split into separate payments for the fall and spring semesters).
4. Scholarship awards must be reviewed by the Nebraska Community Foundation based on information the Scholarship Selection Committee provides on the Scholarship Reporting Form and Disbursement Request.
 - o When requesting a scholarship payment from NCF, you must include both a completed Disbursement Request form and a completed Scholarship Reporting Form. For scholarships that will be paid in more than one installment (only those in excess of \$2,000 may be paid in multiple installments), these forms must be submitted for each disbursement.
 5. Scholarships will be paid by check directly to the college or university for the benefit of the recipient and are to be used for direct college expenses, such as tuition, fees, textbooks, room and board.

Scholarships that do not conform to IRS and NCF Policy will not be paid. If you have any questions, please contact NCF prior to notifying the scholarship winner.

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General Information

Applicant Pool

Generally, scholarships awarded from NCF affiliated funds are intended for residents or graduates of high schools in Nebraska or non-traditional students living and working in Nebraskan communities. The affiliated fund may further define the applicant pool by academic standards, financial need, residency, field of interest, or graduation from a specific Nebraska high school. Restrictions apply to giving preference to one candidate over another based upon religion, race, ethnic origin, or gender. A fund which targets minorities or ethnic groups such as Native Americans could be created, but the criteria can only state that "preference will be given to Native Americans." Because of these restrictions, please contact the Nebraska Community Foundation for approval before using religion, race, ethnic origin or gender as criteria for your scholarships.

Applicants related to anyone serving on the Scholarship Selection Committee or the donor of the scholarship funds are ineligible to receive a scholarship.

Eligible Educational Institutions

A donor may restrict recipients' attendance to certain colleges or universities; however, the Foundation encourages donors to allow recipients to attend any accredited postsecondary two and four-year college, university, or vocational school in the United States.

Scholarship Amount and Payments

The minimum award amount is \$500 per scholarship. This assures that the

scholarship will be significant enough to provide financial assistance and attractive enough to generate a competitive number of applicants. Each scholarship grant is paid by a check issued to the educational institution for the benefit of the recipient.

Award Displacement

Scholarships awarded by funds of the Nebraska Community Foundation may impact the financial aid package a student is receiving from an institution. Financial aid offices can better advise students on the impact of a private scholarship.

Approval of Recipients

The Nebraska Community Foundation, by law, must retain final responsibility for all distributions made from the Foundation and has the right to reject any award recommended by a Scholarship Selection Committee if information on the Scholarship Reporting Form indicates that the recipient was not selected by the SSC on an objective and nondiscriminatory basis and consistent with the purpose of the fund. Foundation staff are available to assist SSCs in developing appropriate selection criteria and procedures. Each applicant should be ranked according to the stated selection criteria for each particular scholarship. Documentation of the selection process must be provided to the Nebraska Community Foundation on the Scholarship Reporting Form prior to payment.

If you have any questions regarding approval of recipients, contact NCF prior to notifying the recipient(s).

Taxation

Scholarship awards apply to direct college expenses at the institution, such as tuition, fees and books. The recipient is responsible for any tax liability incurred as a result of an award. Monies received for tuition, fees and books are generally not taxable, while monies applied to room and board may be considered taxable income. The Nebraska Community Foundation is not required to report scholarship awards to the student or the IRS, and the student is responsible for determining his/her own taxability with respect to scholarships received.

Links to additional scholarship administration and resources:

- [NCF Policy for Administering Scholarships](#)
- [Checklist for Scholarship Administration and Granting](#)
- [Scholarship Administration Best Practices](#)
- [Forms and Sample Materials](#)
- [Frequently Asked Questions](#)

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**If you have additional questions regarding scholarships, please
contact the Nebraska Community Foundation at
info@nebcommfound.org or call (402) 323-7330.**

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